

**A Preliminary Resolution of the Common Council of the City of Evansville for
the Establishment of the Economic Revitalization Area For the Transfer of Tax
Abatement for the Relocation and Installation of Existing Manufacturing Equipment**

Sugar Steel Corporation
(5401 Highway 41 North, Evansville, IN)
Formerly located at 3350 Claremont Avenue
Evansville, IN 47712

WHEREAS, Sugar Steel Corporation (the "Applicant") is desirous of transferring the existing abatement from resolution C-2011-6 Preliminary Resolution, Passed March 28, 2011 And C-2011-11 Confirming Resolution, Passed April 11, 2011, Economic Revitalization Area designation, pursuant to IC 6-1.1-12.1 et seq, for the property located at: See Section 1; and

Whereas, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.1-12.1 et seq;

NOW THEREFORE, BE IT RESOLVED by the Evansville City Council as follows:

Section 1. The Evansville City Council has reviewed the Statement of Benefits and additional information submitted pursuant to I.C. 6-1.1-12.1 and Evansville City Resolution and made the following findings:

- a. The estimate of the value of the equipment to be transferred by the Applicant is reasonable for projects of that type; and
- b. The estimate of the number of individuals who are employed or whose employment will be retained by the project can be reasonably expected based on the movement of said equipment; and
- c. The annual salaries of those individuals employed or whose employment will be retained by this project can reasonably be expected to result from the movement of the equipment; and
- d. The totality of benefits accrued from this project is sufficient to justify the transfer of tax deduction.
- e. The property known as: 5401 Highway 41 North, Evansville, IN

and more particularly described as follows:

82-06-04-034-298.004-020

has been found to meet the requirements of an Economic Revitalization Area pursuant to IC 6- 1.1-12.1.

Section 2. Based on these findings, the Evansville City Council has determined that the purposes of I.C. 6-1.1-12.1 are served by transferring the deduction and the property described in Section 1.e. (above) is hereby declared to be an Economic Revitalization Area.

Section 3. The designation of this Economic Revitalization Areas shall apply to property tax deductions for "personal property" as provided in IC 6-1.1-12.1-4.5.

FILED

AUG 06 2014

Anna Wladkowski
CITY CLERK

Section 4. The designation of this Economic Revitalization Area shall be in effect retroactive to the March 1, 2014 assessment date to and including December 31, 2014.

Section 5. The length of deduction and abatement schedule to be allowed for this project for transfer of equipment, which takes place within this Economic Revitalization Area, shall be the remainder of the abatement confirmed in resolution C-2011-6, as further defined in Attachment A.

Section 6. This Resolution shall be in full force and effect from and after its passage by the County Council, and advertisement, if any, as required by law.

Section 7. This Resolution shall be in full force and effect from and after its passage.

Adopted this _____ day of _____, 2014, by the Evansville City Council.

Attachment A.

| 5yr Abatement Term | |
|-----------------------|------|
| YR 1 | 100% |
| YR 2 | 80% |
| YR 3 | 60% |
| YR 4 | 40% |
| YR 5 | 20% |
| YR 6 | 00% |

PASSED BY the Common Council of the City of Evansville, Indiana, on the 25 day of August, 2014, on said day signed by the President of the Common Council and attested by the City Clerk.



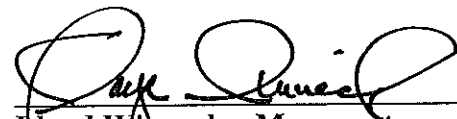
President of the Common Council, John Friend

ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 26 day of August, 2014, for his consideration and action thereon.

Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 26 day of September, 2014.


Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED ZIEMER, CORPORATION COUNSEL



Growth
Alliance

Greater Evansville Economic Development

318 Main Street, Suite 500
Evansville, Indiana 47708
Phone: 812.401.4243
www.GrowthAllianceEvv.com

August 6, 2014

One N.W. Martin Luther King, Jr. Blvd.
306 Civic Center Complex
Evansville, IN 47708

Honorable Council,

In 2011, Sugar Steel Corporation was granted a 5 year personal property tax phase-in. Sugar Steel has had several years of unanticipated growth, and to fit their expansion needs Sugar Steel has recently moved their operations into Park 41, the former whirlpool complex, from 3350 Claremont Avenue. Said company is desirous of moving their current personal property abatement to their new location. Indiana code does allow for this type of transfer by: *IC 6-1.1-12.1-4.6 (Relocation of new manufacturing equipment)*

Because Park 41 is not an existing (ERA), the council would have to designate the ERA for at least a short period of time. Your packet includes the preliminary resolution establishing said ERA, original SB-1, and the company's current CF-1. Sugar Steel has:

- doubled their estimated employment count (Estimated- 17; Current employees- 35)
- invested more than original project (Estimated- \$900,000.00; Actual- \$1,348,513.00)

If you have any additional questions, please do not hesitate to ask.

Best regards,

Shance Sizemore

FILED

AUG 06 2014

Anna Winkler
CITY CLERK



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R / 1-06)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, **BEFORE** a deduction may be approved
- To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
- The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

| SECTION 1 | | TAXPAYER INFORMATION | | | | | | |
|--|-------------------------|--|-----------------------------|-------------------|--|----------------|--|----------------|
| Name of taxpayer Sugar Steel Corporation | | | | | | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) 2521 State Street, Chicago Heights, IL 60491 | | | | | | | | |
| Name of contact person Steven Dimovski | | Telephone number (708) 757-9500 | | | | | | |
| SECTION 2 | | LOCATION AND DESCRIPTION OF PROPOSED PROJECT | | | | | | |
| Name of designating body GAGE | | Resolution number (s) | | | | | | |
| Location of property 3350 Claremont Ave, Evansville, IN 47712 | | County Vanderburgh | DLGF taxing district number | | | | | |
| Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Saw with handling equipment Shotblaster | | ESTIMATED | | | | | | |
| | | START DATE | COMPLETION DATE | | | | | |
| | | Manufacturing Equipment | 07/01/2011 12/31/2012 | | | | | |
| | | R & D Equipment | | | | | | |
| | | Logist Dist Equipment | | | | | | |
| IT Equipment | | 12/27/2010 | 03/31/2011 | | | | | |
| SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT | | | | | | | | |
| Current number | Salaries | Number retained | Salaries | Number additional | Salaries | | | |
| | | 3 | 125,000.00/YR | 14 | 493,920.00/YR | | | |
| SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT | | | | | | | | |
| NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential. | MANUFACTURING EQUIPMENT | | R & D EQUIPMENT | | LOGIST DIST EQUIPMENT | | IT EQUIPMENT | |
| | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Current values | | | | | | | | |
| Plus estimated values of proposed project | 900,000.00 | 900,000.00 | | | | | 20,000.00 | 20,000.00 |
| Less values of any property being replaced | | | | | | | | |
| Net estimated values upon completion of project | 900,000.00 | 900,000.00 | | | | | 20,000.00 | 20,000.00 |
| SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER | | | | | | | | |
| Estimated solid waste converted (pounds) | | | | | Estimated hazardous waste converted (pounds) | | | |
| Other benefits: n/a | | | | | | | | |
| SECTION 6 TAXPAYER CERTIFICATION | | | | | | | | |
| I hereby certify that the representations in this statement are true. | | | | | | | | |
| Signature of authorized representative <i>[Signature]</i> | | | | | Title President | | Date signed (month, day, year) 02/15/2011 | |

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 5 calendar years * (see below). The date this designation expires is 12-31-15.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;

☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- ☐ 1 year ☐ 6 years
☐ 2 years ☐ 7 years
☐ 3 years ☐ 8 years
☐ 4 years ☐ 9 years
☐ 5 years ** ☐ 10 years **

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)

[Signature]

Telephone number

812-436-4993

Date signed (month, day, year)

3-28-11

Attested by:

[Signature]

Designated body

CITY COUNCIL

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5

**COMPLIANCE WITH STATEMENT OF BENEFITS
PERSONAL PROPERTY**

State Form 51765 (R2 / 5-13)

Prescribed by the Department of Local Government Finance

FORM CF-1 / PP

- INSTRUCTIONS:**
1. Property owners whose Statement of Benefits was approved must file this form with the local Designating Body to show the extent to which there has been compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
 2. This form must be filed with the Form 103-ERA Schedule of Deduction from Assessed Value between March 1, and May 15, of each year, unless a filing extension under IC 6-1.1-3.7 has been granted. A person who obtains a filing extension must file between March 1, and the extended due date of each year.
 3. With the approval of the designating body, compliance information for multiple projects may be consolidated on one (1) compliance (CF-1).

| SECTION 1 | | TAXPAYER INFORMATION | |
|---|--|--------------------------------------|--|
| Name of taxpayer Sugar Steel Corporation | | | |
| Address of taxpayer (number and street, city, state, and ZIP code) 2521 State Street Chicago Heights, Illinois 60411 | | | |
| Name of contact person Cynthia L. DeGan | | Telephone number (708) 757-9500 | |

| SECTION 2 | | LOCATION AND DESCRIPTION OF PROPERTY | |
|--|-----------------------|---|--|
| Name of designating body GAGE | | Resolution number C-2011-11 | |
| Location of property 5401 Highway 41 North | County Vanderburgh | DLGF taxing district number 82019 | |
| Description of new manufacturing equipment, or new research and development equipment, or new information technology equipment, or new logistical distribution equipment to be acquired. Cranes, New Press Brake, Bandsaw and Shear, Crane Hoist and Assembly, Shotblaster and other miscellaneous equipment. | | Estimated starting date (month, day, year) N/A | |
| | | Estimated completion date (month, day, year) N/A | |

| SECTION 3 | | EMPLOYEES AND SALARIES | |
|--------------------------------|--|------------------------|--------------|
| EMPLOYEES AND SALARIES | | AS ESTIMATED ON SB-1 | ACTUAL |
| Current number of employees | | | 35.00 |
| Salaries | | | 1,160,818.00 |
| Number of employees retained | | 3.00 | 3.00 |
| Salaries | | 125,000.00 | 125,000.00 |
| Number of additional employees | | 14.00 | 32.00 |
| Salaries | | 493,820.00 | 1,035,818.00 |

| SECTION 4 | | COST AND VALUES | | | | | | |
|---|-------------------------|-----------------|-----------------|----------------|-----------------------|----------------|--------------|----------------|
| | MANUFACTURING EQUIPMENT | | R & D EQUIPMENT | | LOGIST DIST EQUIPMENT | | IT EQUIPMENT | |
| AS ESTIMATED ON SB-1 | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | | | | | | | |
| Plus: Values of proposed project | 900,000.00 | 900,000.00 | | | | | 20,000.00 | 20,000.00 |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | 900,000.00 | 900,000.00 | | | | | 20,000.00 | 20,000.00 |
| ACTUAL | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE | COST | ASSESSED VALUE |
| Values before project | | | | | | | | |
| Plus: Values of proposed project | 1,348,513.00 | 1,348,513.00 | | | | | 23,563.12 | 23,563.12 |
| Less: Values of any property being replaced | | | | | | | | |
| Net values upon completion of project | | | | | | | | |

NOTE: The COST of the property is confidential pursuant to IC 6-1.1-12.1-5.6 (d).

| SECTION 5 | | WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER | |
|-------------------------------------|--|---|--------|
| WASTE CONVERTED AND OTHER BENEFITS | | AS ESTIMATED ON SB-1 | ACTUAL |
| Amount of solid waste converted | | | |
| Amount of hazardous waste converted | | | |
| Other benefits: | | | |

| SECTION 6 | | TAXPAYER CERTIFICATION | |
|---|---------------------|---|--|
| I hereby certify that the representations in this statement are true. | | | |
| Signature of authorized representative <i>Cheryl Kief</i> | Title Controller | Date signed (month, day, year) 6/11/2014 | |